

10 April 2017

To: Committee Secretary

Environment and Communications References Committee

Inquiry into the Rehabilitation of mining and resources projects as it relates to Commonwealth responsibilities

RE: Failure to secure a Rehabilitation Bond or to apply Commonwealth tailings management standards to the Olympic Dam uranium mine operations as a Matter of NES under EPBC Act.

Dear Secretary

Please consider this initial public submission and Recommendations to this Inquiry and a request to provide a full submission with supportive information by a later date.

“There are no bonds held by the Commonwealth or State level in relation to the Olympic Dam project.” Answer by the Minister for the Environment to Senate Question No.94 (01 Sept 2016).

It is not acceptable that some 35 years after passage of the *Roxby Downs Indenture (Ratification) Act 1982* successive SA and Commonwealth governments have failed to realise a bond over estimated rehabilitation liabilities at SA largest and most important mining project Olympic Dam Operations.

Olympic Dam uranium mine operations are a Matter of National Environmental Significance under the EPBC Act 1999 and present one of the world’s largest radioactive mine tailings rehabilitation liabilities with significant ongoing tailings production with-out a bond or adequate standards.

The Commonwealth has a responsibility to require mine rehabilitation and tailings disposal at Olympic Dam Operations to realise full compliance with analogous contemporary standards set by the *Ranger Project Environmental Requirements (1999)*, which require ensurance that:

*The tailings are physically isolated from the environment for at least 10,000 years;
AND: Any contaminants arising from the tailings will not result in any detrimental environmental impact for at least 10,000 years.*

Olympic Dam is inadequately regulated under a 1982 Indenture which takes precedence over any other SA legislation including the *Mining Act* and the *Environment Protection Act 1993*.

This submission makes Recommendations which are also currently before the SA Department of State Development’s “Leading Practice Mining Acts Review” and which have been endorsed by the CCSA, NCSSA, TWS (SA) and by the ACF in their public submissions to that Review.

Please feel free to contact regarding any aspect of this public submission.

Yours sincerely

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(Contact details provided in E-mail cover note)

Olympic Dam Operations must be subject to a statutory mandated 100 per cent bond over estimated rehabilitation liabilities:

It is not acceptable that some 35 years after passage of the *Roxby Downs Indenture (Ratification) Act 1982* successive SA State governments have failed to realise a bond over estimated rehabilitation liabilities at the State's largest and most important mining project Olympic Dam Operations.

This inquiry should recommend public interest statutory powers requiring 100 % bonds to apply across all major mining operations with impacts on Matters of NES - without exemptions.

The Inquiry should note that the SA Department of State Development (DSD) is conducting a "Leading Practice Mining Acts Review" that addresses mine rehabilitation issues. The Review's December Discussion Paper at "2.3 Enforcing leading practice mine closure planning, and progressive rehabilitation to achieve sustainable mine completion outcomes" (p.52-55) commendably states:

"Appropriate rehabilitation of all mining operations should be non-negotiable. Planning for mine closure from the earliest stages of mine planning and progressive rehabilitation throughout the life of a mine is leading practice behaviour, and all regulators should be able to elicit this behaviour..."

The current process for mining operations in SA is that the Government seeks to impose unconditional bonds for 100% of the estimated rehabilitation liabilities. ...

The Department is proposing to introduce a leading practice financial assurance model into South Australia that will adequately meet three 'non-negotiable' criteria. Namely, any modernised model must: ...

- *appropriately incentivise progressive compliance and rehabilitation behaviour so that all operations are undertaken in the most sustainable manner;"*

The SA government has endorsed Recommendation 5 of the Nuclear Fuel Cycle Royal Commission:

"Based on the findings set out in the report the Commission recommends that the South Australian Government:

5. ensure the full costs of decommissioning and remediation with respect to radioactive ore mining projects are secured in advance from miners through associated guarantees."

However it is not apparent that this will be applied to the indentured Olympic Dam Operations.

BHP Billiton should have to present a costed tailings waste management and disposal plan for Olympic Dam Operations to comply with the statutory standard required by the Commonwealth for analogous disposal of radioactive ore uranium tailings at the Ranger open pit mine.

Including required modelling that can demonstrate the isolation of radioactive ore tailings to ensure any contaminants arising from the tailings will not result in any detrimental environmental impacts for at least the same minimum *"for at least 10, 000 years"* regulatory period required by the Commonwealth for analogous disposal of uranium tailings at the Ranger open pit mine.

The Commonwealth should require mine rehabilitation and tailings disposal at Olympic Dam Operations to realise full compliance with analogous contemporary standards set by the *Ranger Project Environmental Requirements* relating to the Ranger Project Area: As set out in Appendix A to the Schedule to the authority issued under section 41 of the Commonwealth *Atomic Energy Act 1953* and dated Nov 1999.

Paragraph 11 (Management of Tailings) of the Environmental Requirements states:

11.2 By the end of operations all tailings must be placed in the mined out pits.

11.3 Final disposal of tailings must be undertaken, to the satisfaction of the Minister with the advice of the Supervising Scientist on the best available modelling, in such a way to ensure that:

- i) The tailings are physically isolated from the environment for at least 10,000 years;*
- ii) Any contaminants arising from the tailings will not result in any detrimental environmental impact for at least 10,000 years;*

Recommendations:

Olympic Dam Operations must be subject to a statutory mandated 100% unconditional bond over estimated rehabilitation liabilities to ensure the full costs of remediation and decommissioning with respect to radioactive ore mining are secured in advance:

- **This should be secured either through amendment to the *Roxby Downs Indenture (Ratification) Act 1982* OR directly by the Commonwealth if the SA government continues to fail to do so;**

The Commonwealth and/ or the SA government should require BHP Billiton to:

Publicly release full cost estimates of decommissioning and remediation with respect to radioactive ore mining and rehabilitation liabilities across Olympic Dam Operations;

Present a costed tailings waste management and disposal plan for Olympic Dam Operations to comply with the statutory standard required by the Commonwealth for analogous disposal of radioactive ore uranium tailings at the Ranger open pit mine, in particular regarding the *Environmental Requirements, Management of Tailings (1999)*, stating a requirement to ensure that:

- ***The tailings are physically isolated from the environment for at least 10,000 years;***
- ***Any contaminants arising from the tailings will not result in any detrimental environmental impact for at least 10,000 years.***